8. State Bank of Hyderabad
9. Dena Bank
10. IndusInd Bank Ltd.

(b) In accordance with the practices and usages customary amongst the banks and in conformity with provisions of statutes governing the banks, the specific information in respect of individual constituents cannot be divulged.

Liquidity Crisis in Urban Cooperative Banks in Andhra Pradesh

1453. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a number of Urban cooperative Banks in Andhra Pradesh have recently gone into liquidity due to mismanagement and siphoning of money by top management; and

(b) if so, the details of action taken by Government to set things right, to recover huge loans taken by top management fraudulently and restore the hard earned money of poor small investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Reserve Bank of India (RBI) has reported that during the course of statutory inspections conducted by them, it was observed that four Urban Cooperative Banks (UCBs) in Andhra Pradesh faced liquidity crunch due to indiscriminate loaning and mismanagement. RBI have taken bank specific measures as well as supervisory actions to strengthen the system of regulation and supervision on UCBs such as (i) issuing directive under Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) precluding these banks from accepting fresh deposits, granting fresh advances and restricting repayment of deposit; (ii) requesting Registrar of Co-operative Societies (RCS) to supercede the Board of Directors of these banks and appoint an administrator to oversee the affairs of the bank; (iii) filing of criminal complaint against the banks, the Directors, Chief Executive Directors and other officials of the banks for granting unsecured advance to directors; and (iv) requesting RCS to conduct an enquiry under Section 51 of the Andhra Pradesh Co-operative Societies Act, 1964 and fix accountability of directors of the banks and to attach the property/assets of directors to recover the dues.